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Regulatory Update

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SEC Staff Statement on Broker-Dealer Registration and Crypto Asset Securities User Interfaces

April 13, 2026 — The US Securities and Exchange Commission (SEC)'s Division of Trading and Markets issued a non-binding staff statement providing its views on when certain software interfaces used to prepare transactions in crypto asset securities are not required to register as broker-dealers under Section 15(a) of the Exchange Act. The statement is intended as interim guidance while the Commission considers broader regulatory issues related to crypto asset securities, and it will expire after five years absent further Commission action.

The statement defines a "Covered User Interface" as a website, mobile app, browser extension, or wallet-embedded tool that assists users in initiating crypto asset securities transactions through a self-custodial wallet. These interfaces typically translate user-selected transaction parameters (such as asset, size, and price) into blockchain-readable instructions and may display market information such as pricing, potential execution routes, and estimated transaction costs. The guidance applies only to the use of such interfaces for crypto asset securities transactions.

SEC staff indicated that a Covered User Interface Provider generally would not be viewed as a broker if the interface operates in a limited, non-discretionary, and neutral manner. Providers must not solicit transactions, provide investment advice, negotiate terms, route or execute orders, or handle customer funds or securities. Fees must be fixed and transparent, and interfaces must rely on objective criteria when presenting execution options, with clear disclosures regarding the provider's role and any affiliations. The statement seeks to distinguish passive technology tools from regulated brokerage activity while signaling potential future rulemaking.

Read the release here.

SEC Approves Customer Cross-Margining for US Treasury Cash Positions and Treasury Futures

On April 15, 2026, the SEC approved a conditional exemptive order and related rule changes to permit customer cross-margining of US Treasury cash positions and related Treasury futures, a practice previously limited to clearing members. Under the order, broker-dealers that are also registered as futures commission merchants (FCMs) may, subject to specified conditions, allow certain customers to margin offsetting Treasury securities cleared at the Fixed Income Clearing Corporation (FICC) together with Treasury futures cleared at the Chicago Mercantile Exchange (CME). The relief includes a targeted exemption from the broker-dealer customer protection rule, with customer positions and collateral instead subject to futures account protections under CFTC rules to enable this structure, provided firms meet joint clearing membership, risk management, and operational safeguards.

In connection with the exemptive order, the SEC also approved a rule change filed by FICC to adopt a Third Amended and Restated Cross-Margining Agreement with CME and incorporate it into FICC's Government Securities Division rules. Together with a parallel exemptive order issued by the CFTC, these actions support closer integration of cash and futures clearing in the US Treasury market. The SEC characterized the changes as another step in implementing Treasury clearing reforms, intended to improve margin efficiency, unlock liquidity, and enhance the resilience of the Treasury market while maintaining appropriate customer protection and risk management controls.

Read the release here.

SEC and CFTC Propose Amendments to Form PF Private Fund Adviser Reporting

On April 20, 2026, the Securities and Exchange Commission, together with the Commodity Futures Trading Commission, issued a notice of proposed rulemaking to amend Form PF. Form PF is a confidential reporting form required to be filed by SEC-registered investment advisers to private funds that meet specified assets under management thresholds. The proposal follows a review of Form PF that occurred after the adoption of amendments in 2024, the compliance date of which had previously been extended. The proposed amendments would revise both the scope of advisers subject to Form PF and the information required to be reported by advisers that remain subject to the form.

Under the proposal, the minimum private fund assets under management threshold required to file Form PF would increase from $150 million to $1 billion. Advisers that do not meet the proposed $1 billion threshold would no longer be required to file Form PF. This change would apply to both annual and quarterly filers and would remove Form PF filing obligations for advisers that fall below the new threshold.

The proposal also includes changes to the definition of a large hedge fund adviser for Form PF purposes. Currently, advisers with at least $1.5 billion in hedge fund assets under management are subject to quarterly reporting and additional hedge fund-specific disclosures. The proposed amendments would raise this threshold to $10 billion in hedge fund assets under management. Advisers that do not meet the revised threshold would no longer be required to complete the sections of Form PF applicable to large hedge fund advisers.

In addition to threshold changes, the proposed amendments would remove or modify several existing reporting requirements within Form PF. The proposal would eliminate certain look-through reporting requirements, remove performance volatility-related data elements, simplify counterparty exposure reporting for hedge fund advisers, and eliminate large hedge fund-specific reporting obligations for advisers that do not meet the revised $10 billion threshold. The proposal would also eliminate certain quarterly event reporting requirements applicable to private equity fund advisers. Technical corrections and other conforming changes to Form PF are also included.

The proposing release states that the Commission and the CFTC conducted a review of Form PF to evaluate the continued necessity of data elements included in the form. The proposal reflects the results of that review and would maintain Form PF reporting for advisers above the revised thresholds while reducing the set of required disclosures relative to existing requirements.

The proposed amendments will be published in the Federal Register, after which a 60-day public comment period will apply. The proposal does not establish a compliance date, as the amendments are not final and remain subject to change following the comment process and further Commission action.

Read the proposed rule here.

SEC No-Action Letter to J.P. Morgan Investment Management on Co-Investment Exemptive Orders

On April 27, 2026, the SEC Division of Investment Management issued a no-action letter to J.P. Morgan Investment Management, Inc. addressing two recurring structural issues under co-investment exemptive

orders. First, the staff stated it would not recommend enforcement action if an open-end registered fund with a common adviser or sub-adviser relies on an existing co-investment exemptive order, treating the open-end fund as a "Regulated Fund" for this purpose. The staff agreed that permitting open-end funds to participate in affiliated co-investment transactions does not raise novel concerns under Sections 17(d) or 57(a)(4) of the Investment Company Act, particularly where those funds remain subject to liquidity constraints under Rule 22e-4.

Second, the letter provides relief on governance mechanics tied to the "Required Majority" approval standard in typical co-investment orders. The staff acknowledged that complying with Required Majority approvals across full boards can be operationally burdensome, especially for funds with larger boards and time-sensitive transactions. Based on JPMIM's representations, the staff agreed that Required Majority approvals under conditions 2 and 6(b) of the order may instead be obtained from a board committee comprised of at least three disinterested directors, provided the committee meets independence requirements and reports its actions and findings to the full board at the next regular meeting.

From a compliance perspective, this no-action position offers meaningful flexibility for fund complexes operating co-investment programs across multiple fund structures. While the relief is limited to orders with conditions substantially identical to the JPMorgan and prior FS Credit Opportunities orders and published before May 4, 2026, it signals staff receptivity to practical governance solutions and broader participation by open-end funds. Firms relying on this guidance should carefully confirm order eligibility, committee composition, documentation practices, and continued adherence to all other co-investment conditions, recognizing that the letter reflects staff enforcement discretion only and does not constitute a rule or binding interpretation.

Read the no-action letter here.

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In the United States, Waystone brings over 20 years of experience supporting investment advisers and funds regulated by the SEC, CFTC, and FINRA. Our US-based team delivers tailored, risk-focused, and cost-effective compliance solutions. With deep regulatory expertise, we help enhance your firm's governance framework while adding measurable value to your compliance program.

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